

**Report of the  
PUBLIC EMPLOYEE RETIREMENT  
ADMINISTRATION COMMISSION  
on the Examination of the  
Plymouth  
Contributory Retirement System  
January 1, 1994 - December 31, 1996  
PERAC 96: 24-076-05**

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The Public Employee Retirement Administration Commission has completed an examination of the Plymouth Contributory Retirement System pursuant to G.L. c. 32, s. 21. The examination covered the period from January 1, 1994 to December 31, 1996. This audit was conducted in accordance with the accounting and management standards established by the Public Employee Retirement Administration Commission in regulation 840 CMR 25.00. Additionally, all supplementary regulations approved by PERAC and on file at PERAC are listed in Note 3 of this report.

In our opinion, the financial records and management functions are being performed in conformity with the standards established by the Public Employee Retirement Administration Commission with the exception of those noted in the findings presented in this report. We commend the staff and the board members of the Plymouth Retirement System for the exemplary operation of the system.

In closing, I acknowledge the work of examiners Anthony Cannava and Frank Zecha who conducted this examination and express appreciation to the Board of Retirement and staff for their courtesy and cooperation.

Sincerely,

Robert F. Stalnaker  
Executive Director

Report of the  
**PUBLIC EMPLOYEE RETIREMENT  
ADMINISTRATION COMMISSION**  
On the Examination of the  
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**Contributory Retirement System**  
**EXPLANATION OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE PERIOD ENDING DECEMBER 31, 1996**

1. FUNDING OF PENSION LIABILITY

The most recent study by the Public Employee Retirement Administration Commission determined Plymouth Contributory Retirement System's unfunded actuarial liability as of January 1, 1995 to be \$26,380,683. The ratio of system assets to the total actuarial liability is 56.9%.

The Plymouth Retirement System accepted the funding provisions of G.L. c. 32, s. 22D on December 23, 1990.

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**STATEMENT OF LEDGER ASSETS AND LIABILITIES**  
**FOR THE PERIOD BEGINNING JANUARY 1, 1994**  
**AND ENDING DECEMBER 31, 1996**

<b>ASSETS</b>	<b>FOR THE YEAR ENDING DECEMBER 31,</b>		
	<b>1994</b>	<b>1995</b>	<b>1996</b>
Cash	\$6,534,064	\$1,537,478	\$1,146,015
Short Term Investments	\$0	\$0	\$0
Fixed Income Securities (at book value)	\$9,477,260	\$14,136,635	\$13,716,722
Equities (at market value)	\$15,474,670	\$22,430,191	\$26,498,936
International	\$3,490,947	\$5,849,575	\$9,895,812
Interest Due and Accrued	\$159,104	\$213,743	\$162,615
Principal Adjustment Account	\$0	\$0	\$0
Accounts Receivable	\$680	\$835	\$200,658
Accounts Payable	(\$322,559)	(\$68,428)	(\$298,332)
<b>TOTAL</b>	<b>\$34,814,166</b>	<b>\$44,100,029</b>	<b>\$51,322,426</b>
<b>FUND BALANCES</b>			
Annuity Savings Fund	\$14,503,789	\$15,863,871	\$17,394,625
Annuity Reserve Fund	\$3,473,844	\$3,607,552	\$3,671,808
Military Service Fund	\$1,104	\$1,133	\$1,162
Pension Fund	\$7,949,626	\$14,368,656	\$14,626,699
Expense Fund	\$15,052	\$27,568	\$0
Pension Reserve Fund	\$8,870,751	\$10,231,249	\$15,628,132
<b>TOTAL</b>	<b>\$34,814,166</b>	<b>\$44,100,029</b>	<b>\$51,322,426</b>

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**PUBLIC EMPLOYEE RETIREMENT  
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**STATEMENT OF CHANGES IN FUND BALANCES**  
**FOR THE PERIOD BEGINNING JANUARY 1, 1994**  
**AND ENDING DECEMBER 31, 1996**

		Annuity Savings Fund	Annuity Reserve Fund	Military Service Fund	Pension Fund	Pension Reserve Fund	Expense Fund	Total All Funds
<b>Beginning Balance (1994)</b>		\$13,201,554	\$3,373,795	\$1,078	\$7,943,241	\$8,002,180	\$23,384	<b>\$32,545,232</b>
	Receipts	\$1,849,822	\$98,950	\$27	\$4,642,904	\$868,570	\$70,000	<b>\$7,530,273</b>
	Interfund Transfers	(\$349,269)	\$346,533	\$0	\$2,736	\$0	\$0	<b>\$0</b>
	Disbursements	(\$198,317)	(\$345,434)	\$0	(\$4,639,255)	\$0	(\$78,332)	<b>(\$5,261,338)</b>
<b>Ending Balance (1994)</b>		<b>\$14,503,790</b>	<b>\$3,473,844</b>	<b>\$1,105</b>	<b>\$7,949,626</b>	<b>\$8,870,750</b>	<b>\$15,052</b>	<b>\$34,814,167</b>
	Receipts	\$2,007,616	\$103,284	\$29	\$11,687,111	\$1,364,926	\$110,001	<b>\$15,272,967</b>
	Interfund Transfers	(\$393,692)	\$398,120	\$0		(\$4,428)	\$0	<b>\$0</b>
	Disbursements	(\$253,843)	(\$367,695)	\$0	(\$5,268,081)	\$0	(\$97,485)	<b>(\$5,987,104)</b>
<b>Ending Balance (1995)</b>		<b>\$15,863,871</b>	<b>\$3,607,553</b>	<b>\$1,134</b>	<b>\$14,368,656</b>	<b>\$10,231,248</b>	<b>\$27,568</b>	<b>\$44,100,030</b>
	Receipts	\$2,084,009	\$106,899	\$28	\$3,449,314	\$5,396,883	\$110,000	<b>\$11,147,133</b>
	Interfund Transfers	(\$333,707)	\$333,707	\$0	\$0	\$0	\$0	<b>\$0</b>
	Disbursements	(\$219,549)	(\$376,350)	\$0	(\$3,191,271)	\$0	(\$137,568)	<b>(\$3,924,738)</b>
<b>Ending Balance (1996)</b>		<b>\$17,394,624</b>	<b>\$3,671,809</b>	<b>\$1,162</b>	<b>\$14,626,699</b>	<b>\$15,628,131</b>	<b>\$0</b>	<b>\$51,322,425</b>

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**STATEMENT OF INCOME**  
**FOR THE PERIOD BEGINNING JANUARY 1, 1994**  
**AND ENDING DECEMBER 31, 1996**

	<b>FOR THE PERIOD ENDING DECEMBER 31,</b>		
	<b>1994</b>	<b>1995</b>	<b>1996</b>
<b>Annuity Savings Fund:</b>			
Members Deductions	\$1,447,669	\$1,525,276	\$1,628,466
Transfers from other Systems	\$38,707	\$85,938	\$32,202
Member Make Up Payments and Redeposits	\$38,239	\$25,024	\$31,045
Investment Income Credited to Member Accounts	\$325,207	\$371,378	\$392,296
<b>Sub Total</b>	<b>\$1,849,822</b>	<b>\$2,007,616</b>	<b>\$2,084,009</b>
<b>Annuity Reserve Fund:</b>			
Investment Income Credited Annuity Reserve Fund	<b>\$98,950</b>	<b>\$103,284</b>	<b>\$106,899</b>
<b>Pension Fund:</b>			
3 (8) (c) Reimbursements from Other Systems	\$69,697	\$72,255	\$75,593
Received from Commonwealth for COLA and Survivor Benefits	\$350,189	\$451,040	\$388,732
Profit on Sale of Investments	\$299,959	\$3,001,306	\$0
Increase in Market Value of Equities	\$1,282,114	\$5,313,630	\$0
Principal Adjustment Account Amortization Gain	\$0	\$0	\$0
Pension Fund Appropriation	\$2,640,945	\$2,848,880	\$2,984,989
<b>Sub Total</b>	<b>\$4,642,904</b>	<b>\$11,687,111</b>	<b>\$3,449,314</b>
<b>Military Service Fund:</b>			
Contribution Received from Municipality on Account of Military Service	\$0	\$0	\$0
Investment Income Credited Military Service Fund	\$27	\$29	\$28
<b>Sub Total</b>	<b>\$27</b>	<b>\$29</b>	<b>\$28</b>
<b>Expense Fund:</b>			
Expense Fund Appropriation	<b>\$70,000</b>	<b>\$110,001</b>	<b>\$110,000</b>
<b>Pension Reserve Fund:</b>			
Federal Grant Reimbursement	\$30,344	\$50,677	\$45,444
Pension Reserve Appropriation	\$0	\$0	\$0
Interest Not Refunded	\$6,993	\$6,951	\$7,068
Excess Investment Income	\$831,233	\$1,307,298	\$5,344,371
<b>Sub Total</b>	<b>\$868,570</b>	<b>\$1,364,926</b>	<b>\$5,396,883</b>
<b>TOTAL RECEIPTS</b>	<b>\$7,530,273</b>	<b>\$15,272,967</b>	<b>\$11,147,133</b>

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**STATEMENT OF DISBURSEMENTS**  
**FOR THE PERIOD BEGINNING JANUARY 1, 1994**  
**AND ENDING DECEMBER 31, 1996**

		<b>FOR THE PERIOD ENDING DECEMBER 31,</b>		
<b>Annuity Savings Fund:</b>		<b>1994</b>	<b>1995</b>	<b>1996</b>
Refunds to Members		\$147,469	\$138,343	\$201,523
Transfers to other Systems		\$50,848	\$115,500	\$18,025
<b>Sub Total</b>		<b>\$198,317</b>	<b>\$253,843</b>	<b>\$219,548</b>
<b>Annuity Reserve Fund:</b>				
Annuities Paid		\$330,541	\$353,648	\$376,350
Option B Refunds		\$14,893	\$14,047	
<b>Sub Total</b>		<b>\$345,434</b>	<b>\$367,695</b>	<b>\$376,350</b>
<b>Pension Fund:</b>				
Pensions Paid				
Regular Pension Payments		\$1,465,847	\$1,492,507	\$1,550,976
Survivorship Payments		\$95,988	\$97,549	\$98,214
Ordinary Disability Payments		\$53,898	\$54,765	\$71,904
Accidental Disability Payments		\$774,260	\$865,255	\$895,397
Accidental Death Payments		\$165,325	\$160,460	\$160,280
Section 101 Benefits		\$7,680	\$6,765	\$5,040
3 (8) (c) Reimbursements to Other Systems		\$40,825	\$37,944	\$44,996
COLA's Paid		\$337,122	\$345,065	\$340,729
Chapter 389 Beneficiary Increase Paid		\$5,393	\$7,310	\$23,734
Loss on Sale of Investments		\$161,435	\$809,257	\$0
Decrease in Market Value of Equities		\$1,531,483	\$1,391,204	\$0
Principal Adj. Account-Amortization		\$0	\$0	\$0
<b>Sub Total</b>		<b>\$4,639,256</b>	<b>\$5,268,081</b>	<b>\$3,191,270</b>
<b>Military Service Fund:</b>				
Return to Municipality for Members Who Withdrew Their Funds		\$0	\$0	\$0
<b>Expense Fund:</b>				
Salaries		\$48,756	\$55,668	\$57,455
Legal Expenses		\$5,568	\$6,255	\$9,771
Medical Expenses		\$78	\$0	\$0
Travel Expenses		\$661	\$671	\$1,486
Administrative Expenses		\$7,881	\$16,068	\$13,058
Furniture and Equipment		\$3,577	\$338	\$11,912
Management Fees (not charged to investment income)		\$0	\$0	\$0
Consultant Fees		\$7,437	\$6,915	\$27,265
Custodial Fees		\$4,375	\$11,569	\$16,621
<b>Sub Total</b>		<b>\$78,333</b>	<b>\$97,484</b>	<b>\$137,568</b>
<b>TOTAL DISBURSEMENTS</b>		<b>\$5,261,340</b>	<b>\$5,987,103</b>	<b>\$3,924,736</b>



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**INVESTMENT INCOME**  
**FOR THE PERIOD BEGINNING JANUARY 1, 1994**  
**AND ENDING DECEMBER 31, 1996**

	FOR THE PERIOD ENDING DECEMBER 31,		
	1994	1995	1996
<b>Investment Income Received From:</b>			
Cash	\$90,850	\$279,004	\$126,967
Fixed Income	\$699,617	\$883,243	\$1,208,188
Equities	\$603,622	\$427,943	\$451,245
International Investments	(\$210)	\$634,029	\$730,046
<b>TOTAL INVESTMENT INCOME</b>	<b>\$1,393,879</b>	<b>\$2,224,219</b>	<b>\$2,516,446</b>
Increase in Amortization of Fixed Income Securities	\$23,830	\$15,002	\$27,685
Profit on Sale of Investments	\$0	\$0	\$1,235,516
Increase in Market Value of Equities	\$0	\$0	\$5,221,270
Increase Due and Accrued on Fixed Income Securities - Current Year	\$159,103	\$213,743	\$162,614
<b>Sub Total</b>	<b>\$182,933</b>	<b>\$228,745</b>	<b>\$6,647,085</b>
Decrease in Amortization of Fixed Income Securities	(\$5,939)	(\$63,508)	(\$108,263)
Paid Accrued Interest on Fixed Income Securities	(\$48,344)	(\$199,910)	(\$215,820)
Loss on Sale of Investments	\$0	\$0	(\$1,532,304)
Decrease in Market Value of Equities	\$0	\$0	(\$946,821)
Management Fees Paid	(\$57,814)	(\$191,454)	(\$238,368)
Consultant Fees Paid	(\$20,000)	(\$22,000)	(\$24,000)
Custodial Fees Paid	(\$26,247)	(\$35,000)	(\$40,617)
Interest Due and Accrued on Fixed Income Securities - Prior Year	(\$159,104)	(\$159,104)	(\$213,743)
<b>Sub Total</b>	<b>(\$317,448)</b>	<b>(\$670,976)</b>	<b>(\$3,319,936)</b>
<b>NET INVESTMENT INCOME</b>	<b>\$1,259,364</b>	<b>\$1,781,988</b>	<b>\$5,843,595</b>
Annuity Savings Fund	\$325,207	\$371,378	\$392,296
Annuity Reserve Fund	\$98,950	\$103,284	\$106,899
Military Service Fund	\$27	\$28	\$28
<b>TOTAL INCOME REQUIRED</b>	<b>\$424,184</b>	<b>\$474,690</b>	<b>\$499,223</b>
Net Investment Income	<b>\$1,259,364</b>	<b>\$1,781,988</b>	<b>\$5,843,595</b>
Less: Total Income Required	<b>\$424,184</b>	<b>\$474,690</b>	<b>\$499,223</b>
<b>EXCESS INCOME TO THE PENSION RESERVE FUND</b>	<b>\$835,180</b>	<b>\$1,307,298</b>	<b>\$5,344,372</b>

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**STATEMENT OF ALLOCATION OF INVESTMENTS OWNED**  
(percentages by category)  
**FOR THE YEAR ENDING DECEMBER 31, 1996**

	<b>AMOUNT OWNED IN DOLLARS</b>	<b>PERCENTAGE OF TOTAL ASSETS</b>	<b>PERCENTAGE ALLOWED</b>
Fixed Income	\$13,716,722	26.76%	40 - 80
Equities	\$26,498,936	51.70%	65
International	\$9,895,812	19.31%	20
Cash	\$1,146,015	2.24%	40
<b>GRAND TOTALS</b>	<b>\$51,257,485</b>	<b>100.00%</b>	

For the year ending December 31, 1996, the investments of the Plymouth Retirement System returned 12.70%. For the five-year period ending December 31, 1996, the investments of the Plymouth Retirement System earned an average 9.76% per year. For the twelve-year period ending December 31, 1996, since PERAC began evaluating the returns of the retirement systems, the investments of the Plymouth Retirement System earned an average 11.99% per year.

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**SUPPLEMENTARY INVESTMENT REGULATIONS**

The Plymouth Retirement System submitted the following supplementary investment regulations which were approved by P.E.R.A.C. on:

January 23, 1990

- 20.07(6) Sales of equity investments shall not exceed 200% of the average market value of all equity holdings in any twelve-month period.

September 26, 1990

- 20.03(1) Equity investments shall not exceed 50% of the total book value of the portfolio at the time of purchase.

- 20.04(1) United States based corporations and fixed income and equity securities of non-U.S. based corporations, provided that:

a) all such fixed income securities are denominated in U.S. currency and issued and traded in U.S. markets, and provided further that the total of all such fixed income securities shall be considered part of the board's fixed income asset allocation and shall not exceed 5% of the total market value of the fixed income portfolio.

b) all such equity securities are denominated in U.S. currency and issued and traded in U.S. markets, and provided further that the total of all such equity securities shall be considered part of the board's equity asset allocation and shall not exceed 5% of the total market value of the equity portfolio.

- 20.06(2) Bonds shall have a minimum quality rating of Baa or equivalent as rated by one or more recognized bond rating services, however, 1% of the market value of fixed income investments may be invested in bonds with a minimum quality rating of CC or equivalent as rated by one or more recognized bond rating services.

- 20.06(4) Fixed income holdings which are downgraded by one or more recognized rating services to below a BAA or equivalent rating must be sold within a reasonable period of time not to exceed one year, provided however, that a portion of the fixed income portfolio not exceeding 1% of the market value of the fixed income portfolio which has been downgraded below BAA or equivalent may be held at the discretion of the board's qualified investment advisor.

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**SUPPLEMENTARY INVESTMENT REGULATIONS – (Cont'd.)**

February 4, 1992

- 20.03(1) Equity investments shall not exceed 60% of the total book value of the portfolio at the time of purchase.
- 20.07(4) No more than 8% of the total book value of equity investments shall be invested in the equity securities of any one company.

December 17, 1992

- 20.03(1) Equity investments shall not exceed 65% of the total book value of the portfolio at the time of purchase.

July 7, 1994

- 20.03(4) International equity and fixed income investments shall not exceed 15% of the total portfolio valued at market.
- 20.04(6) Foreign corporations and obligations issued and guaranteed by foreign governments.
- 20.07(5) Equity investments shall be made only in securities listed on a United States stock exchange, traded over the counter in the United States or traded in foreign stock markets.

February 15, 1995

- 16.02(4) The board may employ a custodian bank and may charge such expenses retroactive to January 1, 1994 against earned income from investments provided that such expenses shall not exceed in any one-year .08% of the value of the fund.

May 2, 1996

- 20.03(4) International equity and fixed income investments shall not exceed 20% of the total portfolio valued at market.

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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - THE SYSTEM**

The plan is a contributory defined benefit plan covering all Plymouth Retirement System member unit employees deemed eligible by the retirement board, with the exception of school department employees who serve in a teaching capacity. The pensions of such school employees are administered by the Teachers' Retirement Board.

Instituted in 1937, the System is a member of the Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws. Membership in the plan is mandatory immediately upon the commencement of employment for all permanent, full-time employees.

The system provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65 (for certain hazardous duty and public safety positions, normal retirement is at age 55).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension. The average retirement benefit is approximately 80 - 85% pension and 15 - 20% annuity.

Active members contribute either 5, 7, 8, or 9% of their gross regular compensation. Members joining the retirement system after January 1, 1979 must contribute an additional 2% on regular compensation earned at a rate in excess of \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. These deductions are deposited in the Annuity Savings Fund and earn interest at a rate determined by the Executive Director of PERAC according to statute. When a member's retirement becomes effective, his/her deductions and related interest are transferred to the Annuity Reserve Fund. Any cost-of-living adjustment granted since 1981 and any increase in other benefits imposed by state law after that year are borne by the state.

The pension portion of any retirement benefit is paid from the Pension Fund of the System. The governmental unit employing the member must annually appropriate and contribute the amount of current year pension payments as determined by PERAC's Actuary. Until recently, retirement systems were paying only the actual retirement benefits that were due each year. Systems had no statutory authorization to put aside any money for the future benefits of employees who are now working. Large unfunded liabilities resulted from operating upon this pay-as-you-go basis. In

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1977, legislation authorized local governments to appropriate funds to meet future pension obligations.

In 1983, additional legislation was passed requiring the transfer of investment earnings (in excess of the amount credited to member accounts) into the Pension Reserve Fund. These initiatives have significantly reduced the rate of growth of the retirement systems' unfunded liabilities, and in some systems have actually reduced such liability.

Administrative expenses are appropriated from the governmental entities whose employees are members of the system.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent upon several factors including: whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veteran's status, and group classification.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. In addition, depending upon the number of years of creditable service, such employees are entitled to receive either zero (0%) percent, fifty (50%) percent, or one hundred (100%) percent of the regular interest which has accrued upon those deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Executive Director of Public Employee Retirement Administration Commission.

The Annuity Savings Fund is the fund in which members' contributions are deposited. Active members contribute either 5, 7, 8, or 9% of their gross regular compensation. Voluntary contributions, redeposits, and transfers to and from other systems are also accounted for in this fund. Members' contributions to the fund earn interest at a rate determined by PERAC. Interest for some members who withdraw with less than ten years of service is transferred to the Pension Reserve Fund. Upon retirement, a members' contributions and interest are transferred to the Annuity Reserve Fund. Dormant account balances must be transferred to the Pension Reserve Fund after a period of ten years of inactivity.

The Annuity Reserve Fund is the fund to which a member's account is transferred upon retirement from the Annuity Savings Fund and Special Military Service Credit Fund. The annuity portion of the retirement allowance is paid from this fund. Interest is credited monthly to this fund at the rate of 3% annually on the previous month's balance.

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**NOTES TO FINANCIAL STATEMENTS (Continued)**

The Special Military Service Credit Fund contains contributions and interest for members while on a military leave for service in the Armed Forces who will receive creditable service for the period of that leave.

The Expense Fund contains amounts appropriated by the governmental units for the purposes of administering the retirement system.

The Pension Fund contains the amounts appropriated by the governmental units as established by PERAC to pay the pension portion of each retirement allowance.

The Pension Reserve Fund contains amounts appropriated by the governmental units for the purposes of funding future retirement benefits. Any profit or loss realized on the sale or maturity of any investment or on the unrealized gain of a market valued investment as of the valuation date is credited to the Pension Reserve Fund. Additionally, any investment income in excess of the amount required to credit interest to the Annuity Savings Fund, Annuity Reserve Fund, and Special Military Service Credit Fund is credited to this Reserve account.

The Investment Income Account is credited all income derived from interest and dividends of invested funds. At the end of the year the interest credited to the Annuity Savings Fund, Annuity Reserve Fund, and Special Military Service Credit Fund is distributed from this account and the remaining balance is transferred to the Pension Reserve Fund.

The Investments of the system are valued as follows:

Bonds are valued at amortized cost which is the original cost of the investment plus or minus any bond discount or bond premium calculated ratably to maturity.

Equities are reflected at their quoted market value.

**Investments as of December 31, 1996 are summarized as follows:**

	BOOK VALUE	MARKET VALUE
Fixed Income	\$13,716,722	\$13,924,730
Equities	\$26,498,936	\$26,498,936
International	\$9,895,812	\$9,895,812
Cash	\$1,146,015	\$1,146,015
<b>TOTALS</b>	<b>\$51,257,485</b>	<b>\$51,465,493</b>

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**NOTE 3 - SUPPLEMENTARY REGULATIONS**

The Plymouth Retirement System submitted the following supplementary membership regulations which were approved by P.E.R.A.C. on:

January 3, 1985

Creditable service for part time employees shall be determined based on the following:

Less than two (2)

Weeks in any year

No Credit

Two (2) weeks to

One (1) month

One (1) Month

One (1) month to

Six (6) months

Month for Month

Seven (7) months and

Over

One (1) Year

One (1) year of credit for Seven (7) months of service may only be granted if the work is determined by the retirement board to be seasonal in nature.

February 1, 1990

To establish a standard policy that C.E.T.A. service not be considered as creditable service and liability on such service will not be accepted by the Plymouth Retirement Board.

March 5, 1990

For every two years of call firefighters service, this board will grant one year of creditable service, not to exceed a maximum of five years, and such service to be credited only if later appointed as a permanent member of the Fire Department.

July 22, 1990

All permanent regularly scheduled persons, whether full or part time and all PERMANENT INTERMITTENT FULL TIME police officers and fire fighters, shall be eligible for membership in the Town of Plymouth Retirement system and shall submit an application for such membership. In the categories as outlined above, anyone earning at least \$200, per annum must become a member of the system.



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SUPPLEMENTARY MEMBERSHIP REGULATIONS – (Cont'd.)

March 1, 1995

Creditable service for part time or full time employees, either actively contributing or, in the computation to determine make-ups, shall be determined retroactively based upon the following, unless that person has retired or left the employment of the Town of Plymouth:

Less than two (2) weeks in any year	No credit
Two (2) weeks to One (1) month	One (1) month
One (1) month to Six (6) months	month for month
Seven (7) months and over	One (1) year

One (1) year of credit for seven (7) months of service may only be granted if the work is determined by the retirement board to be seasonal in nature. One (1) year of credit for ten (10) months of service may only be granted for school employees whose work schedule is the academic school year.

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**NOTE 4 - ADMINISTRATION OF THE SYSTEM**

The System is administered by a five person Board of Retirement consisting of the Finance Director who shall be a member ex officio, a second and a third member who shall be elected by the members in or retired from the service of such system, a fourth member chosen by the board of selectman and a fifth member chosen by the other four members.

Ex officio Member: Patrick Dello Russo

Elected Member:	Richard Manfredi	Term Expires:	6/30/98
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Elected Member	Thomas Kelley	Term Expires	6/30/98
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Appointed Member	John Kirby	Term Expires	6/30/99
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Appointed Member: John Murphy

The Board members are required to meet at least once a month. The Board must keep a record of all of its proceedings. The Board must annually submit to the appropriate authority an estimate of the expenses of administration and cost of operation of the system. The board must annually file a financial statement of condition for the system with the Executive Director of PERAC.

The investment of the system's funds is the responsibility of the Board. All retirement allowances must be approved by the Retirement Board and are then submitted to the PERAC Actuary for verification prior to payment. All expenses incurred by the System must be approved by at least two members of the Board.

The following retirement board members and employees are bonded by an authorized agent representing a company licensed to do business in Massachusetts as follows:

Treasurer - Custodian:	)	
Ex officio Member:	)	\$10,000,000.
Elected Member:	)	Aetna Insurance Company
Appointed Member:	)	
Staff Employee:	)	

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NOTE 5 - ACTUARIAL VALUATION AND ASSUMPTIONS

The actuarial liability for active members was	\$37,264,161
The actuarial liability for vested terminated members was	\$783,051
The actuarial liability for non-vested terminated members was	\$176,518
The actuarial liability for retired members was	\$22,971,119
The total actuarial liability was	<u><b>\$61,194,849</b></u>
System assets as of that date were	<u>\$34,814,166</u>
The unfunded actuarial liability was	<u><u><b>\$26,380,683</b></u></u>
The ratio of system's assets to total actuarial liability was	56.9%
As of that date the total covered employee payroll was	\$20,418,654

The most recent actuarial valuation of the System was prepared by the Public Employee Retirement Administration Commission as of January 1, 1995.

The normal cost for employees on that date was	7.61% of payroll
The normal cost for the employer was	5.25% of payroll

The principal actuarial assumptions used in the valuation are as follows:

<b>Investment Return:</b>	8.5% per annum
<b>Rate of Salary Increase:</b>	6% per annum

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NOTE 5 - ACTUARIAL VALUATION AND ASSUMPTIONS (Continued)

GASB STATEMENT NO. 5, DISCLOSURE INFORMATION  
AS OF JANUARY 1, 1995

1. Retirees and beneficiaries currently receiving benefits	\$22,971,119
2. Terminated employees who have not yet received benefits or a return of contributions (inactives)	\$959,569
3. Current employees (active members)	
a. Accumulated employee contributions with interest	\$14,119,272
b. Vested benefits financed by Retirement System	\$17,028,925
c. Non-vested benefits financed by Retirement System	\$3,752,794
<b>Total Pension Benefit Obligation</b>	<b>\$58,831,679</b>
<b>Assets at Market Value</b>	<b>\$34,648,591</b>
<b>Unfunded Pension Benefit Obligation</b>	<b>\$24,183,088</b>

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NOTE 6 - MEMBERSHIP EXHIBIT

**\*Figures Unavailable**

<b>Retirement in Past Years</b>	<b>1987</b>	<b>1988</b>	<b>1989</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>
Superannuation	13	10	8	8	12	16	20	9	11	11
Ordinary Disability	0	0	1	2	0	1	3	0	0	2
Accidental Disability	3	2	2	2	1	2	5	3	3	1
<b>Total Retirements</b>	<b>16</b>	<b>12</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>19</b>	<b>28</b>	<b>12</b>	<b>14</b>	<b>14</b>
Total Retirees, Beneficiaries and Survivors	<b>297</b>	<b>302</b>	<b>302</b>	<b>310</b>	<b>314</b>	<b>323</b>	<b>341</b>	<b>342</b>	<b>356</b>	<b>349</b>
<b>Total Active Members</b>	<b>676</b>	<b>703</b>	<b>858</b>	<b>873</b>	<b>869</b>	<b>862</b>	<b>809</b>	<b>849</b>	<b>893</b>	<b>953</b>
<b>Pension Payments</b>										
Superannuation	928,838	2,023,736	2,104,031	2,252,592	1,072,618	1,260,269	1,414,818	1,465,847	1,492,506	1,550,976
Ordinary Disability	17,817	*	*	*	24,594	32,341	46,953	53,898	54,765	71,904
Accidental Disability	465,137	*	*	*	665,293	659,506	708,059	774,260	865,255	895,397
Survivor/Beneficiary Payments	72,558	*	*	*	71,399	79,287	97,185	95,988	97,549	98,214
Other	473,035	*	*	*	470,963	569,330	555,269	550,952	550,234	574,781
<b>Total Payments for Year</b>	<b>1,957,385</b>	<b>2,023,736</b>	<b>2,104,031</b>	<b>2,252,592</b>	<b>2,304,867</b>	<b>2,600,733</b>	<b>2,822,284</b>	<b>2,940,945</b>	<b>3,060,309</b>	<b>3,191,272</b>